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HOUSE MEMORIAL 2

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2009**

INTRODUCED BY

Sandra D. Jeff

A MEMORIAL

REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT AND THE TAXATION AND REVENUE DEPARTMENT TO STUDY THE EFFECTS OF NATIONAL CHAIN STORES AND MULTINATIONAL COMMERCIAL ENTERPRISES ON RURAL AND TRIBAL COMMUNITIES.

WHEREAS, large national chain stores and multinational commercial enterprises have a significantly disproportionate impact on rural and tribal communities and reservations; and

WHEREAS, residents of rural and tribal communities must rely on these commercial enterprises for needed supplies and staples; and

WHEREAS, all residents of rural and tribal communities must go to the larger municipalities to transact certain business; and

WHEREAS, the larger municipalities become the centers of  
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1 commerce for rural communities, particularly where the larger  
2 municipality is surrounded by tribal communities or  
3 reservations; and

4 WHEREAS, large national chain stores and multinational  
5 commercial enterprises locate in larger municipalities for the  
6 purpose of attracting residents from the outlying rural and  
7 tribal communities; and

8 WHEREAS, residents from the unincorporated rural and  
9 tribal communities pay gross receipts taxes on purchases,  
10 gasoline tax on gasoline and special fuel excise tax on diesel  
11 or other special fuels made in the municipality; and

12 WHEREAS, the tax revenue goes to the state and a portion  
13 is redistributed to either the municipality or the county in  
14 which the purchase was made; and

15 WHEREAS, the current distribution of tax revenue goes  
16 predominantly to the municipalities in which the large national  
17 chain stores and multinational commercial enterprises are  
18 located; and

19 WHEREAS, large national chain stores and multinational  
20 commercial enterprises drive many small local entrepreneurs out  
21 of business by offering products at reduced rates due to their  
22 purchasing power and exerting market control; and

23 WHEREAS, profits from large national corporations and  
24 multinational commercial enterprises are exported from the  
25 state and removed from circulation in the local communities;

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1 and

2 WHEREAS, profits from large national corporations and  
3 multinational commercial enterprises fail to target the needs  
4 of residents from rural and tribal communities that patronize  
5 those stores; and

6 WHEREAS, large national chains and multinational  
7 commercial enterprises often fail to invest adequate dollars in  
8 rural and tribal communities for charitable purposes and  
9 service projects or to help the communities thrive; and

10 WHEREAS, the residents of rural and tribal communities in  
11 New Mexico are in desperate need of many services; and

12 WHEREAS, the current redistribution of tax revenue and  
13 profits from large national chains and multinational commercial  
14 enterprises is inadequate to cover the expenses of providing  
15 the needed services to rural and tribal residents; and

16 WHEREAS, the legislature has a responsibility to provide  
17 an effective, efficient and equitable distribution of tax  
18 revenue back to municipalities and counties to provide the  
19 needed services to all residents of New Mexico, including  
20 residents of rural and tribal communities;

21 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
22 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the economic  
23 development department and the taxation and revenue department  
24 be requested to undertake a study of the effects of large  
25 national chain stores or multinational commercial enterprises

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1 on local commerce, including the dislocation of small  
2 businesses, the drainage of profits from rural and tribal  
3 communities and the relative proportion of rural and tribal  
4 residents patronizing the centers of commerce compared to the  
5 population of that commercial center, to determine an  
6 effective, efficient and equitable formula for redistributing  
7 the tax revenue and profits of large national chain stores and  
8 multinational commercial enterprises to adequately cover the  
9 expenses of providing services to the residents of rural and  
10 tribal communities in New Mexico; and

11 BE IT FURTHER RESOLVED that the two departments report the  
12 findings of the study to the appropriate interim legislative  
13 committees by November 1, 2010; and

14 BE IT FURTHER RESOLVED that large national chain stores  
15 and multinational commercial enterprises be encouraged to  
16 invest more profits into charitable purposes and service  
17 projects to help rural and tribal communities thrive and  
18 deliver greater services in New Mexico; and

19 BE IT FURTHER RESOLVED that copies of this memorial be  
20 transmitted to the secretary of economic development, the  
21 secretary of taxation and revenue and the key executives for  
22 corporate affairs and government relations of large national  
23 chain stores and multinational commercial enterprises located  
24 in centers of commerce surrounded by rural and tribal  
25 communities.

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